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Specialist **Commercial** Finance

the commercial mortgage & loan specialist



Gold Key Partner Product Range



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call **0800 810 1444** free



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Introduction

Welcome to our InterBay Commercial Gold Key Partner Product Guide, detailing their innovative product range.

We have been a partner of InterBay Commercial since prior to the financial crisis and were one of the first companies they approached when they relaunched in 2012. Since that time we have become one of the largest distributors of their buy to let, mixed use and commercial mortgage product range.



The introduction of their Refurb, Refurb to Term, Pre-Planning and Developer Exit products revolutionised the short term finance market. These offer market leading LTV's, with the facility to add the lender fee and accrued interest above the maximum LTV.

What sets InterBay Commercial apart?

- Residential BTL's with rental coverage requirement from 125%;
- Commercial/Mixed use with 125% rent coverage requirement;
- The backing of One Savings Bank Plc, a specialist lender listed on the London Stock Exchange;
- Limited packager panel, which allows them to concentrate on providing a fantastic service.

I look forward to doing business with you in the near future.

A handwritten signature in black ink that reads 'Tony Sutton'.

Tony Sutton
Managing Director
Specialist Commercial Finance
Mobile 07590 987000

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LIBOR is **0.75%**

Residential Buy to Let & HMO product range

InterBay offers mortgages for a wide variety of residential property, whether it is single or multiple occupancy, purpose built or converted. They also provide single loans to cover large property portfolios, including some or all units on a single freehold or multiple properties in different locations.

Buy to Let and HMO		Loan to Value & Annual Rates excluding LIBOR		
Loan size	Rate	65%	75%	85%
£100,000-£500,000	3 month LIBOR +	4.10%	4.20%	4.65% †
£100,000-£500,000	3 year fixed	4.95%	5.05%	5.50% †
£100,000-£500,000	5 year fixed	5.05%	5.15%	5.60% †
£500,001 +	3 month LIBOR +	3.45%	3.60%	4.25% ** †
£500,001 +	3 year fixed	4.30%	4.45%	5.10% ** †
£500,001 +	5 year fixed	4.40%	4.55%	5.20% ** †

† Maximum 75% LTV for HMO's with more than 8 rooms†

Location

England and Wales

Product details:

Term

Minimum term available is 2 years, maximum 30 years.

ERC (Early repayment charge)

- Variable rates - 3% in the first 5 years and 1% thereafter for the life of the loan (except in the final month).
- Fixed rates - 4% in year one & 3% for the remaining fixed period. 1.5% for the remainder of the loan.
- Client may repay up to 10% of the balance of the term loan outstanding in any 12 month period without notice and without incurring any Early repayment charge.

Interest-only option

- Available on all products:
Up to and including 10 year term – no loading.
11 years to term – loading of 0.5% on standard rate.

Clients

Loans can be made to individuals, limited companies, LLPs, partnerships, trusts and pension schemes.

LTV

Buy to Let & Small HMO's (8 rooms or less): Up to 85%

Large HMO (more than 8 rooms): Up to 75%

New build properties: Up to 75%

Properties converted in the last 2 years: Up to 70%

Rental Cover Requirements

Debt Service Coverage Ratio (DSCR) will depend on the property type, whether or not we are lending to a limited company and, if we are not lending to a limited company, the number of investment properties owned by each individual. DSCR will be calculated using a stressed rate of 5.5%, or the initial pay rate + 1.55%, whichever is higher. However, the following exceptions apply:

- if the case is a remortgage with no further borrowing, DSCR will be calculated using the initial pay rate + 1.05%, with no minimum stress rate.
- if the 5 year fixed rate is being used, DSCR will be calculated using the initial pay rate, with no additional margin or minimum stress rate.

** Maximum £1,000,000

Minimum Debt Service Cover Ratio (DSCR)

- 125% - 180%, see previous page

Excluded Property Types

Bedsits, studio flats, ex-council flats (unless in a good area/location), single security flat with less than 30 sq. metres floor space, flats above wine bars or pubs, flats above takeaways, flats above nuisance property

Sector Experience

Minimum 2 years relevant sector experience at managerial level or similar.

Credit History

Good credit history is required – at least 2 years with no adverse

Interest Rate

- Interest rate is margin plus LIBOR (3 month)
- LIBOR is a minimum of 0.75% and this applies until LIBOR gets to 3% at which point the minimum Libor rate becomes 3%. The start rate on the individual loan is the lifetime floor of that loan.
- Margin cascades up for unusual cases 1-3%.

Arrangement Fee / Booking Fee

- 1.70% arrangement fee, of which 0.25% booking fee is payable on acceptance of the offer and is non-refundable.
- 0.25% reduction from arrangement fee for existing InterBay borrowers with a track record of 6 months' clean payment history with InterBay
- 0.25% reduction from arrangement fee for loans over £1m.
- Minimum fee is 1.2% if combining discounts.

The balance of the arrangement fee can be added to the loan (without increasing the interest rate banding) or can be deducted from the advance.

Standard Property

- Single dwellings
- HMO/multi/student lets with up to 5 rooms
- Freehold blocks/titles of land with up to 4 residential units

Personal applicants

140% cover applies where each applicant owns fewer than 4 investment properties, including the subject property (known as a 'Non-Portfolio' landlord)

155% cover applies where at least one applicant owns 4 or more investment properties, including the subject property (known as a 'Portfolio' landlord)

Limited Company

125% cover applies

Specialist Property

- HMO/multi/student lets with 6 or more rooms
- Freehold blocks/titles of land with 5 or more residential units.

Personal applicants

165% cover applies where each applicant owns fewer than 4 investment properties, including the subject property (known as a 'Non-Portfolio' landlord)

180% cover applies where at least one applicant owns 4 or more investment properties, including the subject property (known as a 'Portfolio' landlord)

Limited Company

145% cover applies

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LIBOR is **0.75%**

Commercial Investment & Owner Occupier Product Range

Whether an investor or an owner-occupier, if your client is buying or remortgaging a Commercial property, we can help. Most property types are considered, and lower rates are also offered where the property attracts a strong yield.

Commercial		Loan to Value & Annual Rates including LIBOR		
Property Yield *	Rate	55%	65%	75%
Tier 1 - Up to 7%	3 month LIBOR +	4.14%	4.64%	5.14%
Tier 1 - Up to 7%	3 year fixed	4.99%	5.49%	5.99%
Tier 1 - Up to 7%	5 year fixed	5.09%	5.59%	6.09%
Tier 2 - 7% to 8.5%	3 month LIBOR +	4.24%	4.74%	5.24%
Tier 2 - 7% to 8.5%	3 year fixed	5.09%	5.59%	6.09%
Tier 2 - 7% to 8.5%	5 year fixed	5.19%	5.69%	6.19%
Tier 3 - Above 8.5%	3 month LIBOR +	4.74%	5.24%	6.14%
Tier 3 - Above 8.5%	3 year fixed	5.59%	6.09%	6.99%
Tier 3 - Above 8.5%	5 year fixed	5.69%	6.19%	7.09%

$$* \text{ Property yield} = \left(\frac{\text{Market rent}}{\text{Market value (vacant possession)}} \right) \times 100$$

Location

- England and Wales

Product details:

LTV

- Up to 75%, based on lower of vacant possession value (VP), investment value or purchase price.

Minimum Debt Service Cover Ratio (DSCR)

- DSCR will apply based on the higher of 5% or initial pay rate
- Investment: 125%
- Owner occupier: Asset 110% (Market Rent), Borrower 125% (Net profit/EBITDA)

Term

- 2 - 30 years

Interest-Only (I/O)

- Normal rates apply if I/O period is 10 years or less. If I/O period exceeds 10 years, 0.5% rate increase applies.

Sector Experience

- The borrower must have owned a minimum of three commercial properties for at least two years.

Credit History

- Good credit history is required – at least 2 years with no adverse credit.

Loan Sizes

- From £100,000

Excluded Property Types

All products: The following properties are excluded - Heavy industrial, petrol stations, religious property, hostels, bedsits, equestrian centres, public houses, agricultural properties, catteries, kennels, golf clubs, hospitals, mobile home parks, garden centres, telecommunication masts and all other uses within Classes A4, C2, C2A and D2 of the T & CP Use classes Order 1987, or those properties listed as Sui-Generis.

Interest Rate

- Variable interest rate is margin plus LIBOR (3 month)
- LIBOR is a minimum of 0.75% and this applies until LIBOR gets to 3% at which point the minimum LIBOR rate becomes 3%
- The start rate is the lifetime floor rate for a loan
- Discretionary rate increases may apply to complex cases

Arrangement Fee / Booking Fee

- 1.50% arrangement fee (of which 0.25% booking fee is payable on acceptance of the offer and is non-refundable).
- The balance of the arrangement fee can be added to the loan (without increasing the interest rate banding) or can be deducted from the advance.
- 0.25% reduction from arrangement fee for existing InterBay borrowers with a track record of 6 months' clean payment history with InterBay.

ERC (Early repayment charge)

- **Variable rates** - 3% in the first 5 years and 1% thereafter for the life of the loan (except in the final month).
- **Fixed rates** - 4% in the first year and 3% for the remaining fixed period and 1% thereafter
- Client may repay up to 10% of the balance of the term loan outstanding in any 12 month period without notice and without incurring any Early repayment charge.

Clients

- Loans can be made to individuals, limited companies, LLPs, partnerships, trusts and pension schemes.

Ex-Pats

- Properties in London / Home Counties only
- Additional interest rate loading of 0.25% to 1%,
- Arrangement fee of 2.25% added or deducted from advance
- Subject to credit committee approval

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Mixed Use Investment & Owner Occupier Product Range

Whether an investor or an owner-occupier, if your client is buying or remortgaging a Mixed Use Semi-Commercial property, we can help. Most property types are considered, and lower rates are also offered where the property attracts a strong yield.

Mixed Use		Loan to Value & Annual Rates including LIBOR		
Property Yield *	Rate	55%	65%	75%
Tier 1 - Up to 7%	3 month LIBOR +	3.54%	4.04%	4.54%
Tier 1 - Up to 7%	3 year fixed	4.39%	4.89%	5.39%
Tier 1 - Up to 7%	5 year fixed	4.49%	4.99%	5.49%
Tier 2 - 7% to 8.5%	3 month LIBOR +	3.64%	4.14%	4.64%
Tier 2 - 7% to 8.5%	3 year fixed	4.49%	4.99%	5.49%
Tier 2 - 7% to 8.5%	5 year fixed	4.59%	5.09%	5.59%
Tier 3 - Above 8.5%	3 month LIBOR +	4.14%	4.64%	5.14%
Tier 3 - Above 8.5%	3 year fixed	4.99%	5.49%	5.99%
Tier 3 - Above 8.5%	5 year fixed	5.09%	5.59%	6.09%

$$* \text{ Property yield} = \left(\frac{\text{Market rent}}{\text{Market value (vacant possession)}} \right) \times 100$$

Location

- England and Wales

Product details:

LTV

- Up to 75%, based on lower of vacant possession value (VP), investment value or purchase price.

Minimum Debt Service Cover Ratio (DSCR)

- DSCR will apply based on the higher of 5% or initial pay rate
- Investment: 125%
- Owner occupier: Asset 110% (Market Rent), Borrower 125% (Net profit/EBITDA)

Term

- 2 - 30 years

Interest-Only (I/O)

- Normal rates apply if I/O period is 10 years or less. If I/O period exceeds 10 years, 0.5% rate increase applies.

Sector Experience

- The borrower must have owned a minimum of three commercial properties for at least two years.

Credit History

- Good credit history is required – at least 2 years with no adverse credit.

Loan Sizes

- From £100,000

Excluded Property Types

All products: The following properties are excluded - Heavy industrial, petrol stations, religious property, hostels, bedsits, equestrian centres, public houses, agricultural properties, catteries, kennels, golf clubs, hospitals, mobile home parks, garden centres, telecommunication masts and all other uses within Classes A4, C2, C2A and D2 of the T & CP Use classes Order 1987, or those properties listed as Sui-Generis.

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- LIBOR is a minimum of 0.75% and this applies until LIBOR gets to 3% at which point the minimum LIBOR rate becomes 3%
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- Discretionary rate increases may apply to complex cases

Arrangement Fee / Booking Fee

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- **Fixed rates** - 4% in the first year and 3% for the remaining fixed period and 1% thereafter
- Client may repay up to 10% of the balance of the term loan outstanding in any 12 month period without notice and without incurring any Early repayment charge.

Clients

- Loans can be made to individuals, limited companies, LLPs, partnerships, trusts and pension schemes.

Ex-Pats

- Properties in London / Home Counties only
- Additional interest rate loading of 0.25% to 1%,
- Arrangement fee of 2.25% added or deducted from advance
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Legal Fee Scale

Loan Size	Commercial / Semi-Commercial			Buy to Let / Residential	
	InterBay legal costs only	Combined cost, no need for another solicitor		InterBay legal costs only	Combined cost, no need for another solicitor
	Purchase/Remortgage	Purchase	Remortgage	Purchase/Remortgage	Purchase or Remortgage
£101k - £300k	£1,250	£3,000	£2,125	£750 **	£1,625 ***
£301k - £500k	£1,450	£3,500	£2,350	£850	£1,750
£501k - £750k	£1,650	£4,125	£2,650	£960	£1,950
£751k - £1million	£1,950	£4,650	£3,000	£1,050	£2,175
> £1million	£2,250 or 0.1% of loan *	POA	POA	£1,150 or 0.1% of loan *	POA

* whichever is greater

** minimum £850 for limited company or partnership loans

*** minimum £1,750 for limited company or partnership loans

Valuation Fee Scale

The valuation fee is payable by the applicant prior to valuation instruction. The prices listed below are a guideline and may be subject to change. Fees are non-refundable once the valuer has visited the property.

Residential Valuation Fees	Standard (for Buy to Let in individual names) Applies to Buy to Let properties that are single houses or flats.	Specialist (for HMO, new build, and loans not in individual names) Applies to blocks of up to 6 flats, HMO's of up to 8 bedrooms & habitable Light/Medium Refurbishment.
Estimated valuation or purchase price - not exceeding	Total fee (including VAT)	Total fee (including VAT)
£101,000 - £150,000	£185.00	£475.00
£151,000 - £200,000	£205.00	£485.00
£201,000 - £250,000	£235.00	£485.00
£251,000 - £300,000	£265.00	£565.00
£301,000 - £350,000	£295.00	£635.00
£351,000 - £400,000	£315.00	£635.00
£401,000 - £450,000	£345.00	£695.00
£451,000 - £500,000	£375.00	£695.00
£501,000 - £600,000	£535.00	£785.00
£601,000 - £700,000	£645.00	£845.00
£701,000 - £800,000	£715.00	£965.00
£801,000 - £900,000	£785.00	£1,055.00
£901,000 - £1,000,000	£905.00	£1,125.00
over £1million	refer	refer

Commercial, semi-commercial and other specialist fees

A bespoke fee quote will be obtained from one of InterBay Commercial's specialist lending panel once InterBay has issued a Conditional Offer, and your client will only have to pay this amount to instruct the valuation.

The fee amount will be confirmed to you, and the Conditional Offer updated, by the end of the next working day.

The quote will be valid for 5 working days, after which it may be subject to change



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Case studies

Refinance of 2 North London warehouses, value £5.5m

We were approached by an Introducer to refinance 2 warehouses in North London. The applicants had experienced some previous issues with mortgage payments, but due to the quality of new tenants that had just taken on new long term leases we were able to arrange a refinance at over 70% LTV

Introducer received over £26,000 on the day of completion

Refinance of 5 flats on one freehold title, value £800,000

Our Introducer was looking to refinance a property that had been owned by the 76 year old applicant's family for three generations. His existing High Street mortgage facility was coming to an end and the lender refused to renew due to his age. Despite being given a very short timeframe to refinance before they called in an LPA Receiver, we successfully completed the remortgage with two days to spare.

Introducer received over £6,000 on the day of completion

Purchase of factory unit for continued business expansion, value £355,000

Our Introducer passed on details of two clients looking to purchase warehouse unit to expand their textile business. They had a limited deposit of 25% available and had been declined on the High Street due to fairly weak accounts. We placed the case with InterBay who considered the market rental income the property would generate, as well as the potential of the applicants' business and they advanced funds to 75% of property value.

Introducer received over £2,000 on the day of completion for just providing a name and telephone number

Refinance of high end West London property to repay bridging finance, value £2.15m

The applicants had purchased a property in Notting Hill, West London using bridging finance and approached us 13 days before the bridging finance was due to expire. Both InterBay and ourselves pulled out all the stops to ensure the refinance was made after 11 days, saving the applicants £27,000 in penalty fees from the bridging lender. Despite the market rental income on the survey being lower than expected, the applicants' high net worth status was used to offset that issue.

Introducer received £15,825 on the day of completion for just providing a name and telephone number

Commissions payable

Commission and any broker fee you charge is paid into your nominated bank account on the day of completion.

	Packaged Cases	
	<£250,000	>£249,999
Residential & HMO product range	0.60%	0.75%
Commercial & Mixed Use Product Range	0.60%	0.75%

PLEASE NOTE

Our Packaged option is only available to experienced commercial brokers, with a track record in commercial finance and proof direct agencies are held with competitors of InterBay.

call **0800 810 1444** free



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The product guide is for mortgage professionals only and not intended for use by the general public.

All rates, products and pricing are subject to change at any time and without prior notice. Mortgages are subject to valuation and underwriting approval.

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